Milwaukee County Employees' Retirement System (ERS)

Investment Committee Meeting

MINUTES

Sarah Peck Members:

Dean Roepke

Linda Bedford

Jeffrey Mawicke

John Maier

1. Call to Order:

Chairperson, Sarah Peck called the meeting to order at 2:30 pm, on 6-1-09, in Room 203-P. of the Milwaukee County Courthouse, 901 N. 9th St., Milwaukee, WI. 53233.

2. Roll Call:

Members Present:

Sarah Peck

Linda Bedford

John Maier

Jeffrey Mawicke

Dean Roepke

Others Present

David Arena – Benefits Director

Dale Yerkes - Fiscal Officer Assistant

Brett Christenson-Marquette

Managing Director

Ray Caprio-Marquette

Assistant Vice President

Six (6) handouts were provided to the Investment Committee Members and those in attendance:

- Asset Allocation Summary & Updated Timeline-Marquette Associates
- April Monthly Update-Marquette Associates
- Transition Management Search-Marquette Associates
- (RFP) Emerging Markets Manager-Marquette Associates
- (RFP) Small Cap Value Manager-Marquette Associates
- Small Cap Value Manager List-Marquette Associates

1. Topic: Marquette: April Flash Report

Brett Christenson reviewed the April performance. It was a good month for most asset classes. He noted that as of June 1st Cap Guardian has been closed out and monies rolled into GMO international small cap. Ray Caprio pointed out issues with the adjustment account at BNY Mellon related to cash holdings. He stated once the pension assets are invested according to the new asset allocation he would take a closer look at the purpose of this account.

2. Topic: Marquette - Overlay Funds Update

No discussion.

3. Topic: RFP's - Status Report

The Committee met as the evaluation panel for the RFP for Transition Management. The panel's minutes are documented separately from these Committee meeting minutes. The panel will recommend the use of four managers State Street, GTS, Blackrock and JP Morgan.

The committee reviewed the drafts of the RFP's for the small cap value and emerging markets managers. The Committee approved the RFP's for the small cap manager and the emerging markets manager pending review by Mark Grady and Gerry Schroeder.

4. Topic: Asset Allocation Study Update

The committee discussed the portfolio "D" asset allocation. Some asset classes were not included due to their performance being similar to other asset classes. Brett Christenson stated it would be better to concentrate the money with another manager and save on investment management fees. Brett reviewed the Up/Down analysis requested by Sarah Peck. This supported the exclusion of asset classes from portfolio "D". Some members requested more information regarding Long/Short and Infrastructure asset classes, including worst-case scenarios.

The committee agreed to recommend to the Board to implement portfolio "D", with the notation the Long/Short and Infrastructure allocations will not be implemented until more information regarding these asset classes is received.

The committee agreed to recommend to the Board to invest \$35M in Barings, \$18M in GMO LC and \$13M in GMO SC. This money will come from POB proceeds.

5. <u>Adjournment</u>: **The Investment Committee adjourned at 4:40 pm.**Sarah Peck noted she would not be able to attend the June Pension Board Meeting.

Dale Yerkes for Gerald J. Schroeder

ERS Manager